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Arizona Corporation Commission

DOCKETED

AUG 12 2016

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2016 AUG 12 P 4:37

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Attorneys for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
LITCHFIELD PARK SERVICE COMPANY,  
AN ARIZONA CORPORATION FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY AND  
FOR INCREASES IN ITS WASTEWATER  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE.

DOCKET NO: SW-01428A-13-0042

IN THE MATTER OF THE APPLICATION OF  
LITCHFIELD PARK SERVICE COMPANY,  
AN ARIZONA CORPORATION FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY AND  
FOR INCREASES IN ITS WATER RATES AND  
CHARGES BASED THEREON FOR UTILITY  
SERVICE.

DOCKET NO: W-01427A-13-0043

**MOTION FOR REINSTATEMENT  
OF SYSTEM IMPROVEMENTS  
BENEFIT MECHANISM**

Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Litchfield Park" or "Company") hereby moves for reinstatement of the System Improvements Benefit ("SIB") mechanism in light of the Arizona Supreme Court's Opinion, dated August 8, 2016, in *Residential Utility Consumer Office v. Arizona Corporation Commission*

1 (Case No. CV-15-0281-PR). In that opinion, the Supreme Court vacated the opinion of  
2 the Arizona Court of Appeals, Division One, dated August 18, 2015, in Case No. 1 CA-  
3 CC 13-0002, and determined that the SIB mechanism “complies with the Arizona  
4 Constitution’s mandate that the Commission determine the fair value of a utility’s  
5 property when setting rates.”<sup>1</sup>

6 Following Decision No. 73938 (June 27, 2013) approving a SIB for Arizona Water  
7 Company, Liberty Litchfield Park sought approval of water and wastewater SIBs in this  
8 rate case. In Decision No. 74437 (April 14, 2014), the Company received approval to  
9 implement water and wastewater SIBs, and the Commission ordered the Company to file  
10 SIB Plans of Administration (“POAs”). The Company filed its final water and wastewater  
11 SIB POAs on October 8, 2014. On November 4, 2014, the Company then filed its semi-  
12 annual status report delineating the status of water and wastewater SIB-eligible plant.  
13 In light of the then pending appeals relating to the Arizona Water Company SIB, the  
14 Commission issued Decision No. 75303 on October 27, 2015 and stayed operation of the  
15 approved SIBs for Liberty Litchfield Park given the legal appeals relating to the Arizona  
16 Water Company SIB. As a result of the Supreme Court decision upholding the SIB for  
17 Arizona Water Company, the Company is filing this motion to reinstate the approved  
18 water and wastewater SIBs in this docket.

19 Under these circumstances, Liberty Litchfield Park requests that the Commission  
20 issue an order reinstating the SIBs originally approved in Decision No. 74437, and  
21 directing the Company to comply with the requirements and conditions set forth in the  
22 approved SIB POAs. The Company requests that the Commission act on this request  
23 expeditiously.

24  
25  
26 <sup>1</sup> Opinion, ¶ 1.

1                   RESPECTFULLY SUBMITTED this 12th day of August, 2016.

2                   SHAPIRO LAW FIRM, P.C.

3  
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16                  Attorneys for Liberty Utilities (Litchfield Park  
17                  Water & Sewer) Corp.

18                  **ORIGINAL** and 13 copies filed  
19                  this 12th day of August, 2016, with:

20                  Docket Control  
21                  Arizona Corporation Commission  
22                  1200 West Washington Street  
23                  Phoenix, Arizona 85007

24                  **COPY** hand-delivered  
25                  this 12th day of August, 2016 to:

26                  Teena Jibilian, Administrative Law Judge  
                    Hearing Division  
                    Arizona Corporation Commission  
                    1200 West Washington  
                    Phoenix, AZ 85007

1 **COPY** e-mailed and hand-delivered  
2 this 12th day of August, 2016 to:

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11 **COPY** sent via e-mail and U.S. mail  
12 this 12th day of August, 2016, to:

13 Dan Pozefsky, Esq.  
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18 **COPY** sent via U.S. mail  
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